

September 19, 2008

The Right Honourable Stephen Harper, PC, MP
House of Commons
80 Wellington Street
Ottawa, ON
K1A 0G2

Dear Prime Minister Harper:

Specialty eggs and supply management

There is now a current, critical need to protect the livelihoods of struggling specialty egg farmers (free-range, free-run and organic egg production), as well as improve the confidence of concerned consumers who pay a premium for these eggs.

The cage-free egg market in Canada is one of the fastest growing segments in Canada's food sector and shows no signs of slowing. Today there are more cage-free egg products on the market than ever before, and the number increases daily. Unfortunately, the number of Canadian cage-free egg farmers who will be able to compete in the current monopolistic egg industry is quickly diminishing.

Egg Farmers of Canada (formerly Canadian Egg Marketing Agency, CEMA) and provincial egg boards responsible for administering the supply management system do not acknowledge that the cost-of-production for cage-free specialty eggs is much greater than that incurred in producing battery cage eggs. For example, cage-free hens are kept at a much lower density than caged hens and are often provided with a 'winter garden'. This means that these hens have a much better quality of life than caged hens; they have more freedom of movement and can move back and forth between protected outdoor areas and hen houses. However, this increases the cost of production significantly. Cage-free eggs fulfill a rapidly growing consumer demand for increased bird welfare. Additionally, many specialty eggs require feed formulas (organic, omega-3, etc.) that significantly increase the cost of egg production for these farmers. The supply management system offers no increased price for these specialty eggs; the result is that egg farmers with small family farms cannot compete.

The original intent of supply management was to ensure a fair income based on cost-of-production and the domestic supply/demand of the commodity. However, the egg supply management system has gone astray and improprieties have allowed a near-monopolistic factory farming situation to develop; this threatens consumer interests, bird welfare, the family farm and supply of cage-free specialty eggs. The current supply management system discriminates against and *discourages* cage-free production with unnecessary, oppressive levies and inadequate pricing. With the current quota system, cage-free specialty eggs are more expensive and out of reach for many potential consumers.

As agricultural free trade, under NAFTA and WTO, increases, shell eggs imported into Canada without tariff will significantly impact the small Canadian cage-free producer's ability to compete; the livelihoods of many current specialty egg farmers will be further jeopardized.

We ask you to please take steps to ensure recognition of cage-free specialty egg production by the supply management system, ie Egg Farmers of Canada and the provincial boards.

Our proposal

We propose that Canadian family farms that do not currently hold quota, and who are willing to invest in specialty egg production with cage-free housing, winter gardens and equipment for producing verified, traceable cage-free specialty eggs be permitted to house a maximum of 3,000 laying hens to provide specialty shell egg production outside of supply management controls. We also propose that the production from these cage-free birds be free of levy from federal or provincial egg boards.

Currently, there is a maximum flock size of 99 hens allowed to be kept outside the quota system. This low number is not commercially sustainable and will not fill the growing demand for cage-free eggs.

We recommend these quota-free flocks be permitted for cage-free specialty egg production only, including organic, free-range, free-run and other forms of production, currently not recognized by the Canadian Supply Management system, federal or provincial.

The non-traceable egg supply management chain is nearing a monopoly because the market is controlled by two major national individuals, at the expense of small Canadian family farms. These individuals have enormous influence and control the egg marketing boards, many retail chains and 98% cage egg producers. Many family farms are left with no alternative but to conform, or cease cage-free production, grading and local marketing altogether.

A recent positive egg marketing board precedent was the decision to provide British Columbia organic egg producers with free quota for 5,000 birds. Although not the national program we advocate, the B.C. decision is an excellent example of providing special accommodation for cage-free specialty egg production.

VERIFIED EGG CANADA
 Co-branding with Foodland Ontario,
 Local Food Plus and SunOpta

*Building Awareness and Demand
 for the Fresh High-Quality
 Consumer Traceable Eggs*



Know What You're Buying....

- Omega-3
- Vegetarian
- Organic
- Classic



Consumer Traceable Eggs
www.verifiedeggs.com

- Product Value
- Food Safety
- Bird Welfare

Where Did Your Eggs Come From ?

3 ON = Cage
 2 ON = Barn (FreeRun)
 1 ON = Free Range
 0 ON = Organic

In conclusion, our proposed program for cage-free specialty eggs would:

- 1) Facilitate food safety through traceability and an audited trail, encouraging a domestic supply of specialty eggs from certified and verified, small cage-free family farmers;
- 2) Encourage the humane treatment of birds, by allowing non-caged hens to perform natural behaviour including nesting, wing-stretching and foraging;
- 3) Provide appropriate price fairness to cage-free producers, while permitting affordable cage-free specialty eggs for consumers;
- 4) Eliminate doubts as to whether consumers are in fact receiving the eggs for which they pay a premium;
- 5) Allow eggs and egg products to be traced along the supply management chain.

This proposal benefits the family farm, as well as helps ensure a **safe traceable food supply** to the Canadian consumer.

Please hear our plea for help and issue a standing order to the Egg Farmers of Canada and provincial egg marketing boards to allow a new generation of Canadian traceable cage-free specialty egg farmers to survive and prosper.

We look forward to your prompt reply.

Best regards,

Verified Eggs Canada Inc.

Svante Lind

and The EggsacTrace Team

Cc:

Gerry Ritz, Minister of Agriculture and Agri-food Canada

James M. Flaherty, Minister of Finance Canada

Bev Oda, Minister of International Cooperation Canada
Dalton McGuinty, Premier of Ontario
Leona Dombrowsky, Minister of Agriculture, Food & Rural Affairs, Government of Ontario.
Ed Stelmach, Premier of Alberta
Ron Stevens, Deputy Premier of Alberta
George Groeneveld, Minister of Agriculture and Rural Development, Government of Alberta.
Gordon Campbell, Premier of British Columbia.
Stan Hagen, Minister of Agriculture and Lands, Government of British Columbia
Gary Doer, Premier of Manitoba
Rosann Wowehuk, Minister of Agriculture, Food and Rural Initiatives, Government of Manitoba
Shawn Graham, Premier of New Brunswick
Ronald Ouellette, Minister of Agriculture and Aquaculture, Government of New Brunswick.
Danny Williams, Premier of Newfoundland and Labrador
Rodney MacDonald, Premier of Nova Scotia
Brooke Taylor, Minister of Agriculture, Government of Nova Scotia.
Floyd Roland, Premier of Northwest Territories
Sandra Pupatello, Minister of Economic Development and Trade, Government of Ontario
Robert W.J. Ghiz, Premier of Prince Edward Island
Neil J. LeClair, Minister of Agriculture, Government of Prince Edward Island.
Jean Charest, Premier of Quebec
Laurent Lessard, Minister of Agriculture, Fisheries and Food, Government of Quebec
Brad Wall, Premier of Saskatchewan
Lyle Stewart, Minister of Enterprise and Innovation, Government Of Saskatchewan
Bob Bjorerud, Minister of Agriculture, Government of Saskatchewan
Dennis Fentie, Premier of Yukon Territory

John Gero, ADM and Chief Trade Negotiator
Steve Verheaul, Chief Agriculture Negotiator
Leo Richardson, Chair, House of Commons Standing Committee on International Trade
Jim Collins and Andy Dolberg, Farm Industry Review Board British Columbia
Andy Dolberg, Farm Products Marketing Commission, Government of Ontario
British Columbia Egg Producers
Alberta Egg Producers
Saskatchewan Egg Producers
Manitoba Egg Producers
Egg Farmers of Ontario
Federation des producteurs d' oeufs
New Brunswick Egg Producers
Nova Scotia Egg Producers
Egg Producers of Prince Edwards Island
Egg Producers of Newfoundland
Egg Farmers of Canada